



FROM THE DIRECTOR  
U.S. CENSUS BUREAU

We have enclosed your company's report form and instructions for the 1999 "Survey of Industrial Research and Development (R&D)." In addition to the traditional report form, we have included a Computerized Self-Administered Questionnaire diskette that you may use as an alternative format for reporting. Please refer to the instructions for installation. If you have any questions about installing or using the diskette, please contact the Electronic Reporting Staff on 301-457-4125.

The diskette and Form RD-1 contain information from the previous report for your company. **Please review the instructions, complete the diskette or the form, and return it within 60 days.** Information you report should cover the domestic operations of your consolidated enterprise for calendar year 1999. Federal law requires your response to four items identified on the form. Your voluntary response to all other items is needed to assure useful results.

Data from this survey have many business and policy uses. They provide information for examining R&D tax credits. Some businesses are able to use R&D tax credits to reduce their federal tax burden. The data also assist public officials in allocating research funding by state, which may benefit companies like yours. In addition, analysts use the results to compare spending in this country with other countries to ensure that U.S. businesses are not at a competitive disadvantage.

We recognize that providing this information is a burden, and we have worked hard to minimize it. For example, if you do not have book records for any item, **you may provide carefully prepared estimates.** The law that authorizes this survey (Title 13, United States Code) requires that we keep your report in full confidence. Only sworn Census Bureau employees will see your information, and they will use it only for statistical purposes.

The data from the 1999 survey will be published according to a new classification system, the North American Industry Classification System (NAICS). The NAICS, developed in partnership with United States, Canada, and Mexico, more accurately describes and reflects our ever-changing economy. It replaces the Standard Industrial Classification system. If you are interested in learning more about NAICS, please visit the web site ([www.census.gov](http://www.census.gov)) and choose "NAICS."

We conduct this survey with National Science Foundation (NSF) support. We have enclosed a letter from the Director of NSF encouraging your response to the survey. If you have any questions, please call my staff on 301-457-1339. Thank you in advance for your cooperation.

Sincerely,

Kenneth Prewitt

Enclosures